

REVIEW OF THE
FEDERAL ACQUISITION SERVICE'S
NATIONAL CUSTOMER SERVICE CENTER
REPORT NUMBER A110072/Q/6/P11004
MARCH 31, 2011



U.S. GENERAL SERVICES ADMINISTRATION
Office of Inspector General

Date : March 31, 2011

Reply to
Attn of : Heartland Region Field Audit Office (JA-6)

Subject : Review of the Federal Acquisition Service's National Customer Service Center
Report Number A110072/Q/6/P11004

To : Michael T. Brincks
Regional Commissioner, Federal Acquisition Service (6Q)

Robert R. Blake
Director, National Customer Service Center (6QCB)

This report presents the results of our review of the Federal Acquisition Service's (FAS) National Customer Service Center (NCSC) in Kansas City, Missouri. The review was included in the GSA's Office of Inspector General Fiscal Year (FY) 2011 Audit Plan.

The report found that the NCSC operates effectively and efficiently based on its current performance measures which assess service level, production, and quality. However, the NCSC is not currently monitoring whether it provides these services in a cost effective manner. FAS would benefit from implementing cost performance measures to monitor efficiency. In addition, FAS should complete a study to determine appropriate staffing levels based on the current NCSC workload and implement necessary revisions to the standards for employee performance measures.

We have included your written comments in Appendix B to the draft report. If you have any questions regarding this report, please contact me at (816) 926-8610.

A handwritten signature in brown ink that reads "Erin P. Priddy For".

Erin P. Priddy
Audit Manager
Heartland Region Field Audit Office (JA-6)
Kansas City, MO

REVIEW OF THE
FEDERAL ACQUISITION SERVICE'S
NATIONAL CUSTOMER SERVICE CENTER
REPORT NUMBER A110072/Q/6/P11004

TABLE OF CONTENTS

	<u>Page</u>
EXECUTIVE SUMMARY	i
RESULTS OF REVIEW	1
Finding 1 – The NCSC Should Establish Cost Measures	1
Recommendation	2
Finding 2 – The NCSC Should Evaluate Staffing Needs and Employee Performance Measures	3
Recommendations	4
Conclusion	4
Internal Controls	4
Management Comments	4
APPENDIXES	
Appendix A – Background, Scope, and Methodology	A-1
Appendix B – Management Response	B-1
Appendix C – Report Distribution	C-1

REVIEW OF THE
FEDERAL ACQUISITION SERVICE'S
NATIONAL CUSTOMER SERVICE CENTER
REPORT NUMBER A110072/Q/6/P11004

EXECUTIVE SUMMARY

The Federal Acquisition Service's (FAS) National Customer Service Center's (NCSC) primary mission is to provide excellent customer service to all internal and external General Services Administration (GSA) customers. The NCSC is a full-service center providing information on any of the products and services available from the GSA. In addition to handling transportation, billing, and shipping discrepancies, the NCSC assists with customer support issues such as pricing, order status, points-of-contact, billing inquiries, problems with GSA orders, and schedules information.

The objective of this review was to determine if the FAS's NCSC provides efficient and effective customer support and problem resolution. The review was included in the GSA's Office of Inspector General Fiscal Year (FY) 2011 Audit Plan.

The NCSC operates effectively and efficiently based on its current performance measures which assess service level, productivity, and quality. While these measures appear adequate, they could be enhanced to include an evaluation of the NCSC's cost effectiveness. Accordingly, FAS should implement measures to monitor the cost efficiency of NCSC operations. In addition, the NCSC's work has changed over the past 5 years; therefore, FAS should perform a study to evaluate the current NCSC staffing levels and the standards for employee performance may need to be revised.

Recommendations

We recommend that the Commissioner, Heartland Region, Federal Acquisition Service:

1. Develop and implement measures to monitor the cost efficiency of the NCSC operations;
2. Perform a study to evaluate the NCSC staffing needs in comparison to its current workload; and
3. Review the standards for NCSC employee performance measures and adjust them as needed.

Management Comments

The Regional Commissioner, Federal Acquisition Service, concurred with the findings and recommendations of the draft report. See Appendix B of this report for management's response to the draft report.

REVIEW OF THE
FEDERAL ACQUISITION SERVICE'S
NATIONAL CUSTOMER SERVICE CENTER
REPORT NUMBER A110072/Q/6/P11004

RESULTS OF REVIEW

Finding 1 – The NCSC Should Establish Cost Measures

The NCSC has two key performance metrics to assess efficiency and effectiveness:

- (1) answering a phone call within 20 seconds (goal is 90 percent), and
- (2) abandoned call¹ rate (goal is 2 percent).

The NCSC also tracks the percentage of calls answered and the total cases opened and closed. The NCSC defines cases as customer records (e.g., discrepancies, requests for information, quality issues, etc.) entered into the Virtual Information Service System (VISS).²

One of the NCSC's quality measures is customer satisfaction tracked through customer surveys. The NCSC's customer satisfaction index score was 72.4 for 2009 and 76.3 for 2010. These scores exceed the benchmark scores for government call centers, which were 64.0 and 69.0 for 2009 and 2010, respectively.

As shown in the following chart, the NCSC has successfully exceeded its two performance goals for the last 3 years and maintains a positive trend in providing customer service and problem resolution.

NCSC Performance Metrics	FY 2008	FY 2009	FY 2010
Abandoned call rate (Goal 2%)	0.7%	1.6%	0.4%
% of calls answered within 20 seconds (Goal 90%)	96.8%	91.5%	99.3%
% of calls answered	99.3%	98.4%	99.6%
Cases Opened	67,071	84,289	68,384
Cases Closed	67,783	78,361	68,884

Two other NCSC measures developed from VISS data evaluate the percentage of discrepancies resolved within 1 day and the percentage of discrepancies resolved within 30 days. The data demonstrates that the NCSC is currently resolving more

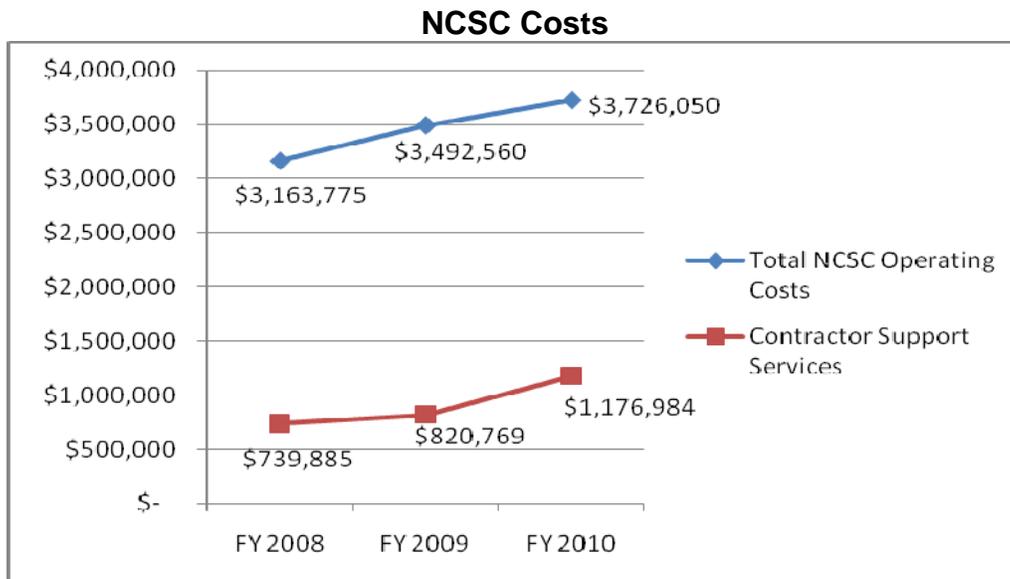
¹ An abandoned call occurs when the customer disconnects or cancels the call after connecting to the NCSC's phone system but before a technician answers.

² VISS is the NCSC's automated customer service and discrepancy reporting system.

discrepancies within 1 day at higher rates than in 2008 and is steadily increasing the percentage of discrepancies resolved within 30 days.

Discrepancy Performance Measures	FY 2008	FY 2009	FY 2010	Q1 FY 2011
Discrepancies Resolved	75,632	104,530	77,956	19,148
% Resolved within 1 Day	45.30%	42.11%	51.62%	47.35%
% Resolved within 30 Days	90.44%	79.69%	88.76%	90.51%

While the NCSC appears to be providing satisfactory customer service and problem resolution, the NCSC is not currently monitoring whether it provides these services in a cost effective manner. Useful metrics to determine cost efficiency in the past included cost per call or cost per case calculations. Labor is the NCSC’s largest expense and total operating costs for the NCSC have increased each year. Since 2008, contractor support services have increased 59 percent. Implementing cost measures could assist NCSC management in tracking and reducing labor expenses.



FAS has adequate performance measures to analyze the productivity, service level, and quality; however, FAS would benefit from implementing cost performance measures to monitor the NCSC’s operating costs.

Recommendation

We recommend that the Commissioner, Heartland Region, Federal Acquisition Service:

1. Develop and implement measures to monitor the cost efficiency of the NCSC operations.

Finding 2 – The NCSC Should Evaluate Staffing Needs and Employee Performance Measures

A formal assessment of the NCSC’s staffing levels has not been performed since 2003. The NCSC currently carries out its functions with a core group of government employees supplemented by contractors. Contractor employees support NCSC discrepancy and call center functions. They also help with special requests and new initiatives. Most recently, such initiatives have included partnering with FAS’s Office of Integrated Technology Services to assist the Information Technology Schedule 70 acquisition center with customer service calls. During 2009, the NCSC increased contract support by six employees due to an increase in workload related to credit card transactions. In October 2010, the NCSC added two more contract employees to account for a change in operations from 12-hours, 5 days per week to 24-hours, 5 days per week.

We also noted that in 2008, NCSC Service Representatives started answering phone calls, and Supply Technicians were trained to resolve cases. The performance plans for these in-house employees were revised to reflect these added duties.

We analyzed employee performance measures tracked from the NCSC’s Automatic Call Distribution (ACD)³ phone system. These measures include but are not limited to time available to answer calls, time spent on calls, after call work time, number of calls answered per employee, and the number of calls logged into VISS per employee. We found the following:

Calls Answered by the NCSC				
Employee Type	FY 2008	FY 2009	FY 2010	Q1 FY 2011
Government Employees	75,407	86,939	79,766	15,213
Contractor Employees	80,926	86,830	69,805	12,620
Total	156,333	173,769	149,571	27,833

While there is a downward trend in the total number of calls answered by the NCSC, the number of calls answered by government employees is increasing. NCSC officials attributed these trends to additional functions (i.e., special requests and new initiatives) being performed by contractor employees. However, the NCSC currently does not track productivity information for these new initiatives, and the government employee performance plans do not contain any measures for the new tasks.

Further, the number of discrepancies related to billing issues has decreased dramatically (35,901 cases in 2009 vs. 7,605 cases in 2010). Lastly, workload effects of new functions are unknown and may be unpredictable.

³ ACD is the NCSC’s phone system that automatically distributes incoming calls based upon a routing strategy that determines the best available employee to respond to a given incoming call.

Accordingly, FAS should evaluate the current NCSC staffing needs and establish performance measure standards for new initiatives. These steps will allow NCSC management to assess staffing needs and allocate the appropriate resources to NCSC tasks.

Recommendations

We recommend that the Commissioner, Heartland Region, Federal Acquisition Service:

2. Perform a study to evaluate the NCSC staffing needs in comparison to its current workload; and
3. Review the standards for NCSC employee performance measures and adjust them as needed.

Conclusion

The NCSC provides effective and efficient customer support and problem resolution based on its current performance measures which assess service level, productivity, and quality. However, we were unable to evaluate whether the NCSC provides these services in a cost effective manner. FAS should implement cost performance measures to monitor efficiency. In addition, FAS should complete a study to determine appropriate staffing levels based on the current NCSC workload and implement necessary revisions to the standards for employee performance measures.

Internal Controls

Our evaluation of internal controls in the National Customer Service Center was limited to those areas necessary to accomplish our audit objective. We provided recommendations to strengthen and improve the current controls as discussed in the Results of Review.

Management Comments to the Draft Report

On March 25, 2011, the Regional Commissioner, Federal Acquisition Service, concurred with the findings and recommendations of the draft report. Appendix B of this report contains the Regional Commissioner's written comments in their entirety.

APPENDIXES

REVIEW OF THE
FEDERAL ACQUISITION SERVICE'S
NATIONAL CUSTOMER SERVICE CENTER
REPORT NUMBER A110072/Q/6/P11004

APPENDIX A
BACKGROUND, SCOPE, AND METHODOLOGY

Background

In October 1983, GSA's Federal Supply Service (FSS)⁴ established the Discrepancy Reports Center (DRC) in Kansas City, Missouri, as the central location to receive and process all customer-reported discrepancies. The overall task of the DRC included resolving three types of supply discrepancies: transportation, shipping, and billing. In 1990, FSS designated the DRC as its national information center. The DRC provided toll-free telephone assistance to answer questions about issues concerning GSA supplies and services. The DRC was renamed the National Customer Service Center (NCSC) in 1992.

Today, the NCSC is a key source for information on any of the products and services available from GSA. The NCSC is a full-service operation assisting customers and vendors with issues related to pricing, order status, points-of-contact, tracing shipments, billings, problems with GSA orders, and schedules information. The Center has also taken on new initiatives such as collecting past due accounts, marketing activities, and answering calls for the Information Technology Schedule 70 acquisition center. In January 2011, the NCSC transformed its operations from 12-hours, 5 days per week to 24-hours, 5 days per week to provide services to overseas customers.

Since we last reviewed the NCSC⁵ in 1997, its organizational structure has changed significantly. Today, the NCSC is assigned to the Heartland Region and reports directly to the Regional FAS Commissioner.

Scope and Methodology

To accomplish our objective, we:

- Reviewed the NCSC's current organizational structure and operating procedures and policies, including the NCSC's performance measures and mission statement;

⁴ On October 6, 2006, the General Services Administration Modernization Act, Public Law 109-313, established the Federal Acquisition Service (FAS) combining GSA's legacy Federal Technology Service and the FSS.

⁵ GSA OIG Report A61830/F/6/V97004, "Advisory Review of Operations of FSS's National Customer Service Center," dated January 10, 1997.

- Analyzed information contained in the NCSC's Virtual Information Service System, which is the internal automated customer service and discrepancy reporting system, and the Automated Call Distribution phone system;
- Reviewed the NCSC's fiscal year-end actual expenditures for 2008, 2009, and 2010;
- Reviewed relevant reports from the GSA's Office of Inspector General; and
- Interviewed appropriate personnel in the NCSC and held discussions with FAS officials.

The scope of our review was Fiscal Year (FY) 2008 through the first quarter of FY 2011. We note that the NCSC experienced an anomaly year during FY 2009 due to credit card billing issues that inundated the Center.

We conducted this performance audit from November 2010 through February 2011 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

REVIEW OF THE
FEDERAL ACQUISITION SERVICE'S
NATIONAL CUSTOMER SERVICE CENTER
REPORT NUMBER A110072/Q/6/P11004

APPENDIX B
Management Response



GSA, Federal Acquisition Service
Regional Commissioner
the Heartland Region

March 25, 2011

MEMORANDUM FOR JOHN F. WALSH
REGIONAL INSPECTOR GENERAL FOR AUDITING (JA-6)

FROM: MICHAEL T. BRINCKS *Mike Brinck*
REGIONAL COMMISSIONER
FEDERAL ACQUISITION SERVICE (6Q)

SUBJECT: Draft Report – Review of the Federal Acquisition Service's
National Customer Service Center (NCSC), Report Number
A110072 (Your Memo, March 23, 2011)

Thank you for the opportunity to review and comment on the March 23, 2011, draft report on the review of the FAS NCSC, Report Number A110072. We have reviewed your findings and concur with your recommendations. We will take the appropriate actions to implement the recommendations in an effort to continue to improve the National Customer Service Center.

Thank you for your assistance. If you have any questions, please contact me at 816-823-1700.

cc: Robert Blake, NCSC

Michael T. Brincks (6Q)
1500 E. Bannister Rd, Rm 1121 • Kansas City, MO 64131
816.823.1700 • Fax 816.823.5961
mike.brincks@gsa.gov

REVIEW OF THE
FEDERAL ACQUISITION SERVICE'S
NATIONAL CUSTOMER SERVICE CENTER
REPORT NUMBER A110072/Q/6/P11004

APPENDIX C
Report Distribution

	<u>Copies</u>
Regional Commissioner, Federal Acquisition Service (6Q)	1
Director, National Customer Service Center (6QCB)	1
Regional Administrator, Heartland Region (6A)	1
Regional Counsel (6L)	1
Director, Internal Control & Audit Division (BEI)	1
Assistant Inspector General for Auditing (JA & JAO)	2
Counsel to the Inspector General (JC)	1
Deputy Assistant Inspector General for Acquisition Audits (JA-A)	1
Special Agent in Charge (JI-6)	1